MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2015/2016

DEC5038 – ENTREPRENEURSHIP

(All sections / Groups)

06 OCTOBER 2015
09.00 a.m – 11.00 a.m
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of 9 pages with Section A, Section B and Section C.

2. Attempt **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. Please provide all your answers in the Answer Booklet and OMR form provided.

SECTION A: MULTIPLE CHOICE QUESTIONS (EACH QUESTION 1 MARK). Answer for this section should be shaded on OMR sheet provided.

1. The recent number of job losses in large corporations compared to the jobs created by small business has changed the perception of _____ for launching a new business.
   A. prestige
   B. risk
   C. financing opportunities
   D. short-term potential

2. The profile of an entrepreneur includes_____.
   A. desire for responsibility and moderate risk
   B. confidence in the ability to succeed and determination
   C. a high level of energy, a desire for immediate feedback and a future orientation
   D. All the above

3. All of the following are characteristics of the typical entrepreneur **EXCEPT:**
   A. Confidence in his/her ability to succeed.
   B. Value of money over achievement.
   C. Desire for immediate feedback.
   D. Future orientation.

4. Entrepreneurs who start businesses because they cannot find work any other way are_____.
   A. necessity entrepreneurs.
   B. serial entrepreneurs.
   C. opportunity entrepreneurs.
   D. corporate cast-offs.

5. Which of the following is benefit of entrepreneurship?
   A. Remarkable returns.
   B. Free insurance.
   C. Employment Provident Fund.
   D. Retirement Bonuses.

6. The ability to apply creative solutions to problems and opportunities to enhance or to enrich people's lives is called _____.
   A. entrepreneurship
   B. innovation
   C. creativity
   D. creative thinking

Continued.....

7. Entrepreneurship is a constant process that relies on _____.
   A. creativity, innovation, and profit
   B. the ability to win over the consumer
   C. creativity, innovation, and application in the marketplace
   D. intellectual property rights

8 Which of the following is **NOT** one of the three components of intellectual capital?
   A. Human.
   B. Structural.
   C. Competitor.
   D. Customer.

9. The combination of factors that sets a company apart from its competitors and gives it a unique position in the market is called _____.
   A. mission statement
   B. competitive advantage
   C. competitive profile
   D. strategic plan

10. Which of the following was **NOT** identified as a way for the typical small business to establish a competitive advantage?
   A. Lowering prices.
   B. Providing higher quality goods or services.
   C. Improving customer service.
   D. Doing whatever the company does for its customers better than its competitors.

11. The key to entrepreneurial success over time is to build a _____ competitive advantage.
   A. defensible
   B. sustainable
   C. coherent
   D. random

12. Strategic plan serves as a blueprint to help a company to _____.
   A. match their company's strengths and weaknesses to the environment's opportunities and threats
   B. accomplish its mission, goals, and objectives
   C. identify a company's competitive advantage and set it apart from its competition with a unique position in the market
   D. All of the above

13. A clearly defined vision helps a company in which of the following ways?
   A. Provides direction.
   B. Determines decisions.
   C. Motivates people.
   D. All of the above.

Continued.....

14. When developing a company's mission statement, an entrepreneur should remember to _____.
    A. write the statement alone without anyone else's interference
    B. omit statements about her values because they may turn some stakeholders off
    C. keep it short and simple
    D. All of the above

15. Anna is the owner of the Main Street Café and a new restaurant opens a few blocks away. From Anna's perspective, this new restaurant constitutes is a _____.
    A. strength
    B. weakness
    C. threat
    D. opportunity.

16. The process of determining whether an entrepreneur's idea is a viable foundation for creating a successful business is known as a _____.
    A. business plan
    B. strategic analysis
    C. industry analysis
    D. feasibility analysis

17. The strongest of the five forces in most industries is _____.
    A. rivalry among companies competing in the industry
    B. bargaining power of buyers
    C. threat of new entrants to the industry
    D. threat of substitute products or services

18. Low capital requirements, cost advantages that are not related to company size, and the lack of brand loyalty are considerations regarding the _____.
    A. threat of new entrants to the industry.
    B. threat of substitute products.
    C. bargaining power of buyers.
    D. rivalry among companies competing in the industry.

19. One form of primary research is _____.
    A. review published articles.
    B. Internet research.
    C. library research.
    D. focus group.

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20. An analysis that determines the degree to which a product or service idea appeals to potential customers and identifies the resources necessary to produce the product or provide the service is referred to as_____.
    A. product or service feasibility analysis
    B. business prototyping
    C. business plan analysis
    D. financial feasibility analysis

21. Which of the following issues would influence an entrepreneur's choice of a form of business ownership?
    A. Tax considerations.
    B. Management succession plans.
    C. Liability exposure.
    D. All of the above.

22. The most common form of business ownership that is also the simplest to create is the _____.
    A. sole proprietorship
    B. partnership
    C. corporation
    D. S corporation

23. Mei Lan is opening a new computer repair shop. He is the owner and sole employee. He has paid the appropriate fees and licensing costs and begun his business. This is an example of a _____.
    A. S corporation.
    B. partnership.
    C. corporation.
    D. sole proprietorship.

24. Which form of ownership generally has the least ability to accumulate capital?
    A. Partnership.
    B. Sole proprietorship.
    C. Corporation.
    D. S corporation.

25. All of the following are advantages of a partnership **EXCEPT:**
    A. Partnerships are relatively easy and inexpensive to establish.
    B. Partnerships avoid double taxation since the partnership itself is not subject to federal taxation.
    C. Partnerships have the greatest ability to accumulate capital of all of the forms of ownership.
    D. Partnerships offer the ability to combine the management and business skills of two or more people in a complementary and powerful fashion.

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26. Which of the following is required to form a partnership?
    A. A general partner.
    B. A limited partner.
    C. A secret partner.
    D. A silent partner.

27. A _____ partner is a person who makes financial investments in a partnership, does not take an active role in managing the business, and whose liability for the partnerships' debts is limited to the amount they have invested.
    A. limited
    B. master
    C. dormant
    D. silent

28. Benefits of involvement in a franchise experience is (are) _____.
    A. management training and support
    B. brand name appeal and standardization of goods and services
    C. national advertising exposure and financial assistance
    D. All of the above

29. Which of the following is **NOT** a potential advantage of franchising for the franchisee?
    A. Management training and assistance
    B. National advertising program
    C. Centralized buying power
    D. Limited product line

30. Which of the followings franchisers generally do regarding financial assistance to franchisees?
    A. Provide direct financing.
    B. Assist in finding financing and occasionally provide direct assistance in a specific area.
    C. Waive royalty fees for franchisees not making an adequate profit.
    D. Franchisers provide no assistance because having or finding financing is a requirement for qualifying for a franchise.

31. The failure rate for franchises is _____.
    A. higher than the average rate for new businesses
    B. no different from the rate for new businesses
    C. lower than the average rate for new businesses
    D. nothing to do with the franchisor's brand.

32. Which of the following is **NOT** a potential disadvantage of a franchise?
    A. Unsatisfactory training program.
    B. Limited product line.
    C. Less freedom.
    D. All of the above are potential disadvantages of a franchise.

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33. A franchise myth is that _____.
    A. once the franchise is open, the franchisee has autonomy to run the business in what ever way he or she sees fit.
    B. the owner needs to be hands on.
    C. the franchise will only expect to be paid when the franchisee is profitable.
    D. franchises fail at a rate higher that independently owned businesses.

34. Burger King is an example of a _____ franchise.
    A. conversion forms
    B. trade name
    C. product distribution
    D. pure

35. For an entrepreneur, a business plan _____.
    A. is of relatively little importance due to the dynamic nature of the marketplace.
    B. is synonymous with the marketing plan.
    C. tends to stress how the entrepreneur will operate rather than detailing what he/she wants to accomplish.
    D. contains both a marketing plan and a financial plan.

36. The focus of a small company's marketing plan should be on _____
    A. preparing accurate financial forecasts.
    B. the customer.
    C. describing how its products or services are superior to those of competitors.
    D. the competition.

37. Guerilla marketing is a marketing approach that takes an unconventional, low-cost and creative approach to marketing that can give _____ a competitive edge over _____ competitors.
    A. small companies; larger
    B. larger companies; smaller
    C. small companies; entrepreneurial
    D. entrepreneurs; small

38. Which of the following is **NOT** one of the objectives a guerrilla marketing plan should accomplish?
    A. Determine customer needs and wants through market research.
    B. Determine how the company will be able to serve all customers.
    C. Analyze the firm's competitive advantages and build a marketing strategy around them.
    D. Create a marketing mix that meets customer needs and wants.

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39. Successful marketing requires a business owner to _____.
    A. understand target customers' needs, demands, and wants.
    B. offer customers products and services that will satisfy their needs, demands, and wants.
    C. provide customers with service, convenience, and value so that they will return.
    D. All of the above

40. Which of the following is an important issue that business owners should consider before launching an e-commerce effort?
    A. How to develop long-term relationships with customers.
    B. How to exploit the interconnectivity and the opportunities it creates to transform relationships with its suppliers, customers, and external stakeholders.
    C. How to measure the success of its Web-based sales effort.
    D. All of the above.

41. All of the following represent benefits of selling on the Web **EXCEPT:**
    A. Opportunity to increase revenues.
    B. Power to educate and inform.
    C. Ability to remain open 24 hours a day.
    D. Ability to advertise in a cheaper media form.

42. The intentional and targeted promotion of a Web site is _____.
    A. critical to online success
    B. optional because once you are on the Web, you will get traffic and sales
    C. a luxury that most small businesses can not afford
    D. contrary to current Web trends

43. Before a Web site can become the foundation for a successful e-business _____
    A. the technology must be right.
    B. it should be previewed by a Web designer.
    C. it must be created with the target audience in mind.
    D. the physical storefront must be established.

44. For an entrepreneur, expanding into international markets _____.
    A. guarantees its success in the marketplace.
    B. makes it a member of ASEAN automatically.
    C. helps it grow faster and survive competition better.
    D. leads to business failure for companies under $100 million in annual revenue.

45. The first obstacle an entrepreneur must overcome on the way to creating a truly global business is _____.
    A. finding a joint venture partner.
    B. learning to think globally.
    C. locating motivated, multilingual managers for overseas assignments.
    D. finding overseas distributors for the company's products.

[TOTAL 45 MARKS]

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SECTION B: TRUE AND FALSE (EACH QUESTION 1 MARKS). Answer ALL questions. Answers should be shaded on OMR sheet.
Mark A for the TRUE statement and B for the FALSE statement.

46. Entrepreneurs unlikely to exhibit tenacity.

47. Entrepreneurs need to develop a solid business plan to avoid business failure.

48. Most entrepreneurs turn to family and friends for capital

49. Being creative is good, but not an important source of building a competitive advantage.

50. The feeling of fear of looking foolish is a barrier to become creative.

51. Core competencies are unique set of capabilities and skills.

52. Politics is the external market forces to Multimedia University.

53. Significant competitors offer same or similar products in only a small number of areas.

54. Feasibility study serves as a filter, before an entrepreneur commits the necessary resources to build a business plan.

55. Business plan transform an idea into reality.

56. Silent partners is a member in partnership and active in business.

57. Double taxation is one of the advantages of corporation.

58. Joint venture is much like a partnership, aims to be together forever.

59. Franchising basically has two only types; tradename and product distribution.

60. A killer website would not build loyalty.

[TOTAL 15 MARKS]

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SECTION C: STRUCTURED QUESTIONS (TOTAL 40 MARKS). Answer ALL questions. Answers should be written in the answer booklet provided.

QUESTION 1

a. Briefly explains any **FIVE (5)** international barriers to International Trade. (10 Marks)

b. List the **FIVE (5)** modes of entering global business. (5 Marks)

QUESTION 2

a. List any **FIVE (5)** strategies for E-success (5 Marks)

b. List any **FIVE (5)** myths of E-Commerce. (5 Marks)

QUESTION 3

a. Identify any **FIVE (5)** tracking trends in marketing (10 Marks)

b. List the **FIVE (5)** process in relationship marketing. (5 Marks)

[TOTAL 40 MARKS]

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